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Message Text

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13
ACTION NEA-12

INFO OCT-01 EA-11 ISO-00 ABF-01 FSE-00 TRSE-00 OMB-01

DRC-01 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15 ACDA-19 IO-15

/117 W
---------- 110044
O R 011042Z OCT 73
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 7082
AMEMBASSY TOKYO IMMEDIATE
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS
USIA WASHDC

UNCLAS NEW DELHI 11469

TOKYO FOR AMBASSADOR MOYNIHAN

E.O. 11652: N/A
TAGS:
SUBJ: INDIAN PRESS COVERAGE OF SENATE VOTE ON RUPEE SETTLEMENT

SUMMARY: THIS MESSAGE HIGHLIGHTS LENGTHY WARREN UNNA STORY RE SENATE VOTE ON RUPEE AGREEMENT. END SUMMARY.

1. OCTOBER 1 STATESMAN CARRIES FIRST PAGE STORY BY WARREN UNNA DATELINE WASHINGTON ENTITLED "SENATE ANNOYED OVER INDIA' S VIEWS ON CHILE." SUBHEADING READS "MOYNIHAN TO RESIGN AS AMBASSADOR."
2. TONE OF UNNA ARTICLE CAPTURED IN FIRST PARAGRAPH WHICH READS "THE U.S. SENATE HAS SCUTTLED THE INDO/AMERICAN AGREEMENT TO SETTLE THE MULTI-BILLION DOLLAR ACCOUNT OF U.S.-OWNED INDIAN RUPEES--TEMPORARILY AND POSSIBLY PERMANENTLY AND ONE OF THE CAUSES CITED HERE IS MRS. GANDHI'S PUBLIC IMPLICATION THAT THE U.S. WAS RESPONSI-BLE FOR THE 'MURDER' OF PRESIDENT SALVADOR ALLENDE."
3. OTHER POINTS MADE IN ARTICLE AS FOLLOWS:
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A. AS A RESULT OF THE SENATE VOTE AMBASSADOR MOYNIHAN WAS "SO

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ANNOYED AND FRUSTRATED" THAT HE LEFT WASHINGTON IN A MOOD TO ACCEPT HIGH STATE DEPARTMENT POSITION OFFERED BY SECRETARY KISSINGER.

B. MRS. GANDHI'S REMARKS ON CHILE AT SEPT. 15 MEETING OF AICC WERE "BRIEFLY MENTIONED IN A DISPATCH FROM NEW DELHI TO THE NEW YORK TIMES AND THEN, DESPITE STATE DEPARTMENT EFFORTS TO LOOK THE OTHER WAY, WIDELY CIRCULATED ON THE OFFICIAL WASHINGTON GRAPEVINE."

C. IN RESPONSE TO PRESS QUERIES, INDIAN AMBASSADOR KAUL SAID THAT MRS. GANDHI HAD MENTIONED NO PARTICULAR COUNTRY IN HER ACCUSATION--JUST"OUTSIDE INFLUENCES" AND THAT "INDIA HAD HER OWN PRIVATE INFORMATION THAT THE CHILEAN PRESIDENT HAD INDEED BEEN MURDERED AND THAT INDIA FELT OBLIGED TO EXPRESS HER VIEWS."

D. AMBASSADOR KAUL'S MOOD "WAS CHARACTERIZED BY HIS FAILING TO BE AT THE INDIAN EMBASSY ON FRIDAY NIGHT WHEN MR. MOYNIHAN ARRIVED TO DISCUSS INDO-AMERICAN RELATIONS."

E. SOME AMERICAN OFFICIALS IN WASHINGTON NOTE THAT PRESIDENT NIXON HAD PERSONNALLY OK'D THE U.S. OFFER TO SETTLE THE RUPEE ACCOUNT, "AN OFFER WHICH THE U.S. SENATE HAS NOW TURNED DOWN AS BEING OVERLY GENEROUS."

F. ARTICLE QUOTES SENATOR BYRD (IND.-VA.) AS SAYING THAT HE OBJECTED TO REPORTS"(LEAKED BY MR. MOYNIHAN HIMSELF AT A RECENT PRESS CONFERENCE) "THAT INDIA WOULD BE LET OFF THE HOOK BY BEING ALLOWED TO SETTLE THE DOLS 3.3 BILLION U.S.-OWNED RUPEE ACCOUNT BY REPAYING ONLY DOLS 100 MILLION OF THIS IN FOREIGN EXCHANGE."

G. ARTICLE NOTES THAT "CONGRESS' OTHER BODY, THE HOUSE OF REPRESENTATIVES, WILL NOW BE OBLIGED TO KNOCK OUT THE NEGATIVE SENATOR BYRD AMENDMENT FROM THE CONFERENCE REPORT IN THE EVENTUAL COMPROMISE OF BOTH HOUSE AND SENATE VERSIONS OF THE OVERALL MILITARY PROCUREMENT AUTHORIZATION BILL. SINCE THE HOUSE HAS BEEN ONLY PASSIVELY AGREEABLE TO A PIECE OF LEGISLATION CONSIDERED A BOON TO INDIA, AND SINCE THE SENATE IS ACTIVELY HOSTILE, THE CHANCE OF KNOCKING OUT THE AMENDMENT IN CONFERENCE IS NOT CONSIDERED GREAT."

H. PRESIDENT NIXON DID ASSURE MR. MOYNIHAN ON FRIDAY THAT HE WOULD CONTINUE TO PRESS CONGRESS FOR APPROVAL. "BUT THE MATTER IS NOT ONE OF THE PRESIDENT'S TOP PRIORITIES. ANYWAY, CONGRESS IS BECOMING MORE AND MORE DEFIANT OF WHITE HOUSE REQUESTS."

I. ARTICLE NOTES THAT IN ABSENCE OF HOUSE ACTION OVERTURNING SENATE POSITION, THE RUPEE SETTLEMENT WILL HAVE TO BE"RESURRECTED VIA THE CONGRESSIONAL AGRICULTURAL COMMITTEES..THE SENATE AGRICULTURAL COMMITTEE WILL HAVE AS ITS GUIDELINE FRIDAY'S WHOPPING 67 TO 18 VOTE, A VOTE WHICH INCLUDED MOST OF THE SENATE LEADERSHIP.
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IN THE PAST, THE SENATE HAS PROVED LOATH TO REVERSE ITSELF IN SUCH CIRCUMSTANCES."

J. FINAL PARAGRAPH OF ARTICLE READS "IN ADDITION, THE HOSITILE MOOD AGAINST INDIA MAY WELL AFFECT THE CHANCES OF CONGRESS APPROVING THE U.S. SHARE OF THE WORLD BANK'S INTERNATIONAL DEVELOPMENT

ASSOCIATION (IDA) SOFT-LOAN FUND, OF WHICH INDIA IS BY FAR THE LARGEST SINGLE BENEFICIARY."

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4. IN ADDITION TO UNNA ARTICLE, FIVE DELHI DAILIES CARRIED REUTERS DISPATCH ON SENATE VOTE IN THEIR SEPTEMBER 30 EDITIONS. THESE STORIES SAY THAT SENATOR BYRD INTRODUCED HIS AMENDMENT BECAUSE AMBASSADOR MOYNIHAN HAD RECOMMENDED THAT THE INDIAN DEBT BE SETTLED AT A "SUBSTANTIAL DISCOUNT." SENATOR BYRD REPORTED AS SAYING "IT IS NEITHER RIGHT, NOR LOGICAL, NOR SOUND TO PERMIT AN AMBASSADOR.. TO MAKE A SETTLEMENT WITH A FOREIGN GOVERNMENT FOR CLAIMS THAT ARE OWNED TO THE UNITED STATES."

5. NO EDITORIAL COMMENT IN INDIAN PRESS ON SENATE VOTE AS YET.

6. EMBASSY RESPONDING TO PRESS QUERIES ON ARTICLE WITH STRICT "NO COMMENT."SCHNEIDER

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Disposition Event:
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Drafter: n/a
Enclosure: n/a
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